

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6141

BILL NUMBER: SB 79

NOTE PREPARED: Nov 11, 2003

BILL AMENDED:

SUBJECT: Unemployment compensation.

FIRST AUTHOR: Sen. Craycraft

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill reduces the qualifying period for unemployment benefits to four weeks. It allows a person who takes a better job and is discharged without just cause to remain eligible for unemployment benefits. The bill allows a person who is discharged for violation of an attendance policy to show good cause for the absences or tardiness. The bill also defines "good cause" to include compelling family obligations, sexual harassment, and financial inability to maintain two residences.

Effective Date: July 1, 2004.

Explanation of State Expenditures: The provisions of this bill may create a minimal increase in expenditures from the Unemployment Insurance Benefit Fund, the extent of which is indeterminable and dependent on the number of individuals who meet the above criteria. The balance in the Unemployment Insurance Benefit Fund as of June 30, 2003, was about \$956.3 M, and benefits paid were about \$724.8 M.

The impact on the state as an employer is also minimal. For FY 2003, the state spent \$3.2 M on unemployment insurance benefits.

Explanation of State Revenues:

Explanation of Local Expenditures: The provisions of this bill may create a minimal increase in expenditures for unemployment insurance benefits

Explanation of Local Revenues:

State Agencies Affected: Department of Workforce Development, State agencies.

Local Agencies Affected: Local units of government.

Information Sources: Patrick Murphy, Department of Workforce Development, (317) 233-1463.

Fiscal Analyst: Chuck Mayfield, 317-232-4825.